

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)	
)	
PETITIONER)	
)	
VS.)	CASE NO. 91-138
)	
KENTUCKY-OHIO GAS COMPANY)	
)	
RESPONDENT)	

O R D E R

This matter arises upon the filing of a petition for rehearing to modify order filed by Kentucky-Ohio Gas Company ("KOG") pursuant to KRS 278.400. KOG specifically requests the Commission reconsider that portion of its December 18, 1991 Order that requires the immediate cessation of service to Ashland Oil, Inc. ("Ashland Oil"). Columbia Gas of Kentucky, Inc. filed a response in opposition to KOG's request on January 8, 1992.

In its Order of December 18, 1991 the Commission specifically prohibited KOG from serving Ashland Oil until it applied for and is granted a Certificate of Public Convenience and Necessity by the Commission. KOG informed Ashland Oil on December 20, 1991 by letter of the Commission's decision and served notice on Ashland Oil of termination of service. Ashland Oil responded to KOG's notice of termination by letter dated December 20, 1991 that it had been relying on KOG to meet a portion of its gas needs for January and February, given previously encountered limitations on the Columbia Gas System during the past.

KRS 278.400 provides that upon rehearing any party may offer additional evidence that could not with reasonable diligence have been offered on the formal hearing. The Commission did not have the information provided by Ashland Oil regarding its dependence on KOG for supply when it made its decision, however, it is clear that this information could have been obtained by KOG during the course of this proceeding. Hence, the Commission finds that rehearing should be denied.

KOG has filed a request for a Certificate of Public Convenience and Necessity to serve Ashland Oil as required by the Commission's Order in this case and Administrative Case No. 297.¹ Aware of Ashland Oil's concerns regarding safe, reliable, and economical gas supply, the Commission will act as expeditiously as possible in Case No. 92-018² in determining whether to grant KOG a certificate to serve Ashland Oil.

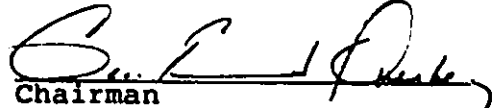
IT IS THEREFORE ORDERED that KOG's request for rehearing in this case and KOG's motion to continue to serve Ashland Oil be and hereby are denied.


¹ Administrative Case No. 297, An Investigation of the Impact of Federal Policy on Natural Gas to Kentucky Consumers and Suppliers.

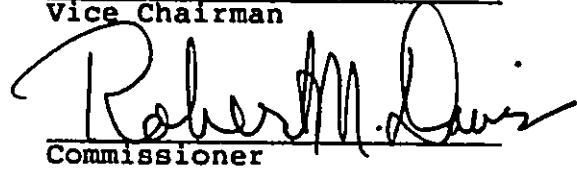
² Case No. 92-018, The Petition of Kentucky-Ohio Gas Company for Approval to Provide Natural Gas Service to Ashland Oil, Inc. and for a Certificate of Convenience and Necessity as Required by Administrative Case 297.

Done at Frankfort, Kentucky, this 13th day of January, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director